

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LEDBETTER WATER )	
DISTRICT FOR RATE ADJUSTMENT )	
PURSUANT TO THE ALTERNATIVE RATE )	CASE NO.
FILING PROCEDURE FOR SMALL UTILITIES)	89-107

O R D E R

On May 1, 1989, Ledbetter Water District ("Ledbetter") filed its application for Commission approval of a proposed increase in its rates for water service. The proposed rates for water service will generate additional annual revenues of \$61,136, an increase of 40.7 percent over test-year revenues from water sales.

In February 1989, Commission Staff conducted a field review of Ledbetter's test-period financial records.<sup>1</sup> Based upon this review, Commission Staff issued its report on July 21, 1989, recommending the proposed rates be accepted and that a monthly surcharge of \$5 per customer be granted for a period not to exceed 15 months. On July 27, 1989, Ledbetter advised the Commission by letter of its acceptance of the Commission Staff Report's recommendations and requested that this case be submitted for decision.

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<sup>1</sup> Ledbetter requested and received the assistance of Commission Staff in preparing its application for rate adjustment. As a result, Commission Staff conducted and completed its field review prior to the filing of Ledbetter's application.

The Commission, after considering the evidence of record and being sufficiently advised, finds:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, attached and incorporated hereto, are the fair, just, and reasonable rates for Ledbetter. These rates, exclusive of the customer surcharge, will produce gross annual revenues of \$211,301. The customer surcharge will produce additional gross annual revenues of \$50,640.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Ledbetter and contained in Appendix A are approved for service rendered by Ledbetter on and after the date of this Order.

2. The proceeds from the monthly customer surcharge shall be used solely for the purpose of retiring Ledbetter's present short-term debt. If these proceeds are used for any other purpose, Ledbetter's authority to assess the customer surcharge shall immediately cease and Ledbetter shall refund all proceeds of the surcharge. Improper use of these proceeds shall also subject Ledbetter to the penalties provided in KRS 278.990.

3. On October 1, 1989 and the first day of each month thereafter until it ceases collecting the customer surcharge approved herein, Ledbetter shall advise the Commission in writing of the amount of surcharge collections for the previous month, the

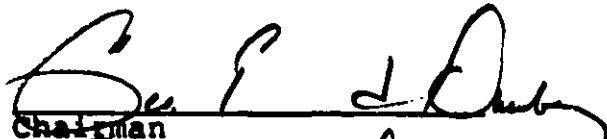
payments made from surcharge collections to retire its outstanding short-term debt, and the current level of outstanding short-term debt. If Ledbetter fails to submit these reports in a timely manner, its authority to assess the customer surcharge shall immediately cease and it shall refund all monies collected as a result of the surcharge.

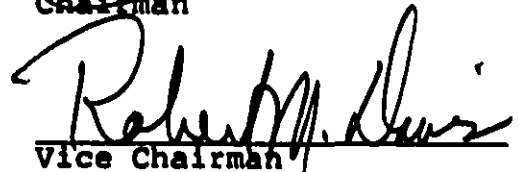
4. Ledbetter shall treat all monies collected as a result of the surcharge as contributions and shall account for them in the manner prescribed by the Uniform System of Accounts for Class C Water Districts and Associations.

5. Within 30 days of the date of this Order, Ledbetter shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 3rd day of August, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-107 DATED 8/03/89

The following rates and charges are prescribed for the customers in the area served by Ledbetter Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of this Commission prior to the effective date of this Order.

<u>5/8" x 3/4" Meter</u>		<u>Monthly Rate</u>	
First 2,000 gallons		\$9.60	Minimum Bill
Next 3,000 gallons		4.35	per 1,000 gallons
Next 5,000 gallons		3.40	per 1,000 gallons
Next 5,000 gallons		2.60	per 1,000 gallons
Next 5,000 gallons		1.70	per 1,000 gallons
Over 20,000 gallons		1.50	per 1,000 gallons
<u>3/4" Meter</u>		\$13.90 Minimum Bill	
First 2,000 gallons		4.35	per 1,000 gallons
Next 3,000 gallons		3.40	per 1,000 gallons
Next 5,000 gallons		2.60	per 1,000 gallons
Next 5,000 gallons		1.70	per 1,000 gallons
Over 20,000 gallons		1.50	per 1,000 gallons
<u>1" Meter</u>		22.65 Minimum Bill	
First 5,000 gallons		3.40	per 1,000 gallons
Next 5,000 gallons		2.60	per 1,000 gallons
Next 5,000 gallons		1.70	per 1,000 gallons
Over 20,000 gallons		1.50	per 1,000 gallons
<u>1 1/2" Meter</u>		39.65 Minimum Bill	
First 10,000 gallons		2.60	per 1,000 gallons
Next 5,000 gallons		1.70	per 1,000 gallons
Over 20,000 gallons		1.50	per 1,000 gallons
<u>2" Meter</u>		52.65 Minimum Bill	
First 15,000 gallons		1.70	per 1,000 gallons
Over 20,000 gallons		1.50	per 1,000 gallons
<u>Connection Charges</u>			
5/8" x 3/4" Meter	\$	500	
3/4" Meter		500	
1" Meter		550	
1 1/2" Meter		750	
2" Meter		1,000	

#### Surcharge

A surcharge of \$5.00 per customer shall be charged for a period of 15 months or until \$63,075 has been collected.